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Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for May 2005 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the May 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgyp-ton@hecla-mining.com.

Sincerely,

Chris Gypton
Project Manager

Encl

Cc: John Galbavy, Esq. (HMC) (w/o attachments)
John Jacus, Esq. (DG&S)

U8 9848
03-32



June 10, 2005

MEMORANDUM TO: Paul Glader

COPIES TO: file, distribution

FROM: Chris Gypton

SUBJECT: **Progress Report No. 13 for period ending May 31, 2005;
Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

Weather conditions at the site improved substantially in the month. Measured rainfall totaled 0.80 inches; more than half of this amount fell in the first week of the month. The second half of the month was warm and windy, which provided optimal conditions for evaporating water.

Site activities in the month focused on predominately on tailings dewatering and concurrently managing the seepage collection system. The seepage rate has declined significantly; the collection ponds had to be pumped out only four times early in the month. Natural evaporation either equaled or exceeded the seepage rate for the remainder of the month.

The following table summarizes estimated volume of water removed through the dewatering and seepage collection systems:

| Time Period - 2005 | Estm'd Gallons in Period - Seepage Collection | Gallons Pumped in Period Dewatering | Cumulative Gallons to Evap Ponds |
|------------------------|---|-------------------------------------|----------------------------------|
| Feb. 18 through Feb 28 | 34,000 | 28,650 | 62,650 |
| March 1 through 31 | 93,500 | 103,415 | 328,980 |
| April 1 through 30 | 68,000 | 93,350 | 490,330 |
| May 1 through 31 | 42,500 | 162,950 | 695,780 |

Evidence of a new seep was noted on the southeast face of the embankment. A new collection pond was constructed in the first half of the month to collect this seepage. The actual magnitude of the seep proved to be minimal. The existing storm water run-off trench on the east side of the impoundment was cleaned out and extended to ensure run-off from the OMG property did not affect the new seepage collection pond.

The saturation level in the tailings declined approximately 1.25 feet in the month. Extrapolating the dewatering progress, it appears the first week in August is a reasonable timeframe to mobilize the contractor to start the final cover earthwork.

Major Issues

1. Evidence of a new seep was noted on the southeast face of the embankment. A new lined seepage collection pond was constructed as soon as the lining materials were procured; this work was completed by May 15th. The actual seepage rate proved to be very minimal. By the end of the month the estimated quantity of seepage in the pond was less than 100 gallons. Concurrent with installation of the new collection pond, the existing storm water runoff channel was cleaned out and extended to protect the collection pond. (Refer to Attachments section of this report for a sketch of this work) This pond will be removed when the old seepage collection ponds are decommissioned at the end of the project.

Work Planned for Next Period

1. Continue management of the existing seepage collection system as required.
2. Continue dewatering of the tailings.
3. Continue operation of the forced evaporation system.

Work in Process

Procure Outside Services

1. Hughes' revised pricing was received electronically on May 31st; they need to submit their written proposal with clarifications/interpretation of the scope of work before we can evaluate it.

Procure Materials

1. No activity

Contractor Submittals

1. No activity

Seepage Collection System Maintenance

1. Seepage collection system was maintained concurrently with the dewatering activity.

Phase II Drain/Evaporate Excess Water

1. Personnel were on site a total of thirty days in the month. Approximately 163,000 gallons of water was pumped out of the dewatering sumps, and transferred to the evaporation basins.
2. The forced evaporation system was test run the week of May 15th; the results were deemed satisfactory. By the end of the month the system was being run up to twelve hours per day.

Sampling and Analysis in Period

Material Characterization

1. No activity

Field Tests, Inspections & QA/QC

1. A representative from USEPA, Region 8, inspected the site on May 16th. Attending the inspection were Chris Gypton (Hecla Mining), Dave Jones (Gila Management) and Doug Gibbs, P.E. (Monster Engineering). No issues requiring immediate attention or change in project plans were noted. We should receive a copy of the inspection report before the end of June 2005.

Cost and Schedule

Committed costs in May 2005 were approximately \$20,600. Around 45% of this cost was related to the new seepage collection pond and diversion ditch work, the remainder was dewatering and seepage collection system management. Total project to date committed is approximately \$517,500. Forecast cost at completion is expected to be \$1,140,000.

The cost report for May is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

| Deliverable | Reference Paragraph | Due | Remarks |
|---|----------------------------|---|---|
| Post warning signage around perimeter of site | 57 | 15 days after effective date of order | Work completed on March 9, 2004 |
| Begin implementation of closure plan | 63 | 45 days after receipt of filing of order | Work started on February 23, 2004 |
| Monthly progress reports | 64 | 28th day after close of month | Requirement in effect after order is filed. |
| Completion report | 65 | 30 days after completion of all closure plan tasks | To be submitted within 30 days after work has been physically completed and all contracts closed out. |
| | | | |

The update of the schedule milestones is on the following table:

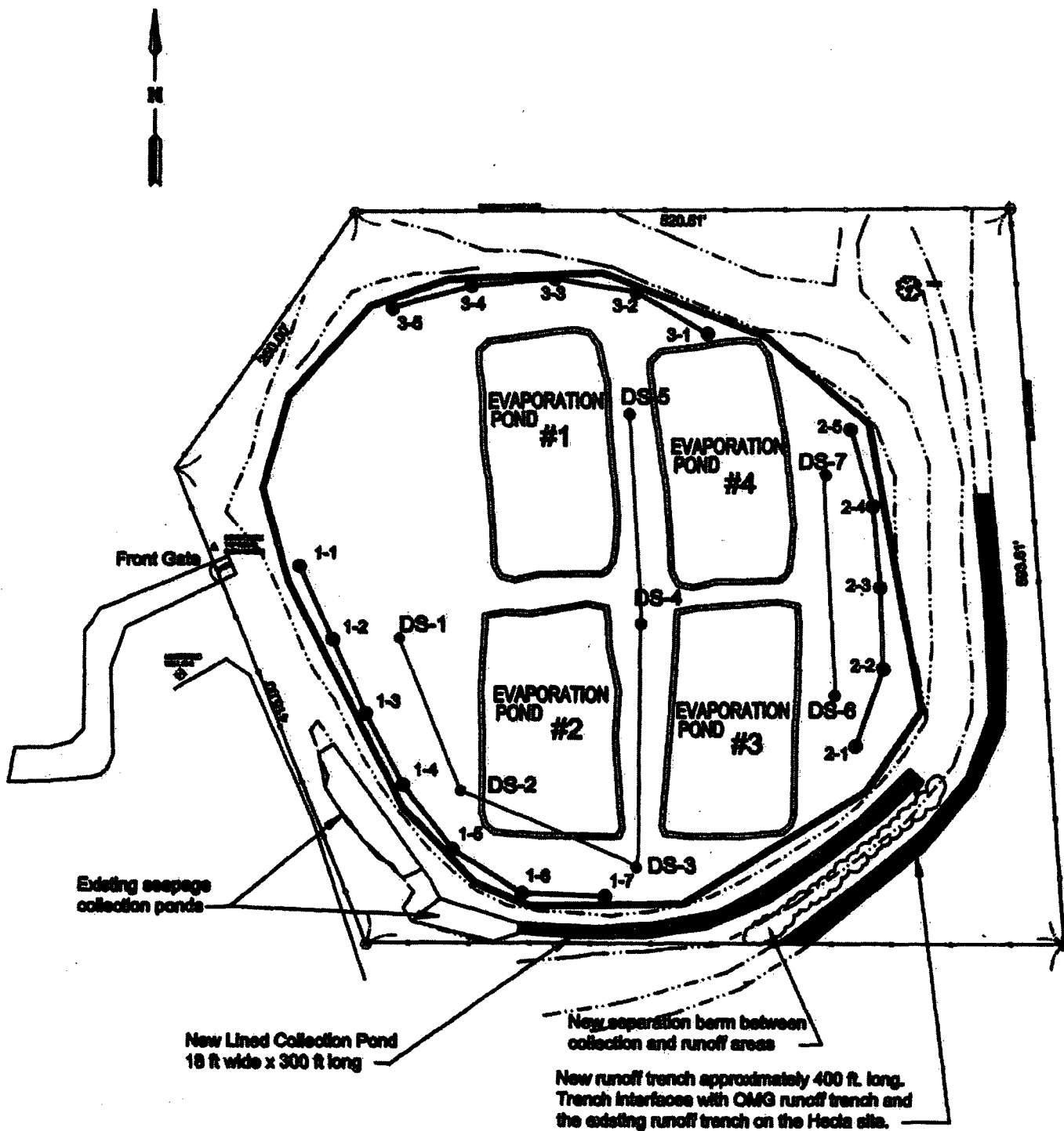
| Milestone | Target | Actual | Remarks |
|---|-------------------|----------------|---|
| Issue bid package – Phase I (Sump Drains) | 6/14/04 | 6/15/04 | Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier |
| Issue RFP package – Phase III | 6/24/04 | 6/24/04 | |
| Award contract for Phase I | 6/24/04 | 6/29/04 | Date contract was shipped to Hughes |
| Pre-bid meeting – Phase III | 7/19/04 | 7/19/04 | |
| Start Phase I (Sump Drains) construction | 7/12/04 | 7/19/04 | |
| Start Phase II (Evaporation) | 7/19/04 | 7/29/04 | |
| Receive bids for Phase III | 8/2/04 | 8/2/04 | |
| Re-bid Phase III contract package | April 2005 | 4/27/05 | Date bid package was sent to Hughes |
| Start Phase III construction | Early August 2005 | | Revised target based on dewatering progress |
| Complete Phase III construction | September 2005 | | Revised target based on late PH III start |

Supplemental Attachments

1. Plan view of sumps and evaporation ponds as of June 1, 2005; drawing PHASEII03.dwg, compiled by Gila Management, LLC

| Activity | 2004 Budget | Revised Budget May 2004 | Committed Cost this Period | Cumulative Committed Cost To Date 5-31-05 | Forecasted Cost To Complete | Forecasted Final Cost | Remarks on Forecast to Complete |
|---|----------------|----------------------------|-------------------------------|---|--------------------------------|--------------------------|--|
| Phase I - Drain Excess Liquid From Tailings | | | | | | | |
| Test wick program - Nillex | | 35,000 | | 35,000 | 0 | 35,000 | |
| Earthwork during wick test program | | 2,000 | | 1,768 | 0 | 1,768 | |
| Install drainage piping and sumps: | | | | | | | |
| Contractor mobilization/demobilization | | 5,500 | | 5,500 | 0 | 5,500 | |
| Install sumps - material & labor | | 20,000 | | 24,500 | 0 | 24,500 | |
| Build surface evaporation ponds | | 2,700 | | 838 | 0 | 838 | |
| Remove existing evaporation ponds | | 2,000 | | 0 | 0 | 0 | Work moved to Phase III |
| Bury existing pond material & regrade | | 2,000 | | 0 | 0 | 0 | Work moved to Phase III |
| Survey monuments | | 3,500 | | 1,160 | 500 | 1,660 | One trip plus final report |
| Subtotal Phase I | 189,200 | 72,700 | | 68,766 | 500 | 69,266 | |
| Phase II - Evaporate Excess Liquid | | | | | | | |
| Operate evaporation & pumping system | | 8,000 | | 9,585 | | 9,585 | FY 2004 work only |
| Test pits to determine dewatering progress | | | | 1,320 | | 1,320 | |
| Upgrade evaporation cells & collection sumps | | | | 132,114 | | 132,114 | |
| Dewatering & seepage collection management | | | 20,582 | 53,815 | 28,500 | 82,315 | T&M labor + equipment; February '05 through July '05 |
| Subtotal Phase II | 6,000 | 8,000 | 20,582 | 196,834 | 28,500 | 225,334 | |
| Phase III - Regrading & Final Cover System | | | | | | | |
| Contractor mobilization/demobilization | | 20,000 | | 4,428 | 76,300 | 80,728 | Includes allowance for cost escalation from FY 2004 |
| Excavate existing embankment | | 15,000 | | 0 | 46,000 | 46,000 | |
| Final grading of 1% surface | | 2,500 | | 0 | 56,000 | 56,000 | |
| Place barrier layer (GCL) - top | | 200,000 | | 0 | 150,000 | 150,000 | |
| Place barrier layer (GCL) - outcrops | | 50,000 | | 0 | 0 | 0 | Incl w/ GCL cover cost |
| Excavate diversion channel | | 9,100 | | 0 | 37,000 | 37,000 | |
| Place 12" protection layer on top surface | | 19,000 | | 0 | 45,000 | 45,000 | |
| Reconstruct outside embankment | | 7,350 | | 0 | 0 | 0 | Incl w/ excavation of existing embankment |
| Finish grade 1% surface - top | | 3,000 | | 0 | 0 | 0 | Incl w/ 12" protection layer |
| Place surface layer at outcrops (D50 = 1") | | 4,800 | | 0 | 0 | 0 | Incl w/ 12" protection layer |
| Recontour diversion channel for drainage | | 2,000 | | 0 | 0 | 0 | Incl w/ diversion channel exc |
| Place diversion channel erosion protection (3" rock) | | 3,800 | | 0 | 0 | 0 | Incl w/ diversion channel exc |
| Surveying - diversion channel drainage | | 2,500 | | 0 | 0 | 0 | Incl w/ diversion channel exc |
| Remove existing evaporation ponds | | 0 | | 0 | 34,200 | 34,200 | |
| Clear site for construction | | 3,000 | | 0 | 3,000 | 3,000 | |
| Performance & Payment Bond | | 0 | | 0 | 4,500 | 4,500 | |
| Subtotal Phase III | 337,000 | 342,050 | 0 | 4,428 | 452,000 | 456,428 | |
| Field Indirect Costs | | | | | | | |
| Construction Management labor | | 108,360 | 5,250 | 153,901 | 72,000 | 225,901 | |
| Construction Management field expenses | | 38,575 | 1,531 | 33,972 | 19,500 | 53,472 | |
| Field office trailer | | 6,525 | 165 | 2,498 | 1,490 | 3,988 | |
| COA testing | | 9,200 | | 0 | 17,100 | 17,100 | |
| COA completion report | | 5,000 | | 0 | 5,000 | 5,000 | |
| Survey and layout | | 2,208 | | 0 | 2,200 | 2,200 | |
| Material classification tests | | 1,500 | | 5,762 | 2,500 | 8,262 | |
| Consulting Engineer | | 42,200 | 4,263 | 35,963 | 9,400 | 45,363 | |
| Subtotal Consultants | 164,500 | 213,568 | 11,209 | 232,095 | 129,190 | 361,285 | |
| Hecia Costs | | | | | | | |
| Labor | 15,500 | 15,500 | 1,188 | 13,282 | 8,700 | 21,982 | |
| Travel expenses | 3,200 | 3,200 | 602 | 2,088 | 3,700 | 5,798 | |
| Subtotal Hecia Costs | 18,700 | 18,700 | 1,790 | 15,380 | 12,400 | 27,780 | |
| Total Pond 2 Final Closure | 715,400 | 655,018 | 33,581 | 517,500 | 622,590 | 1,140,090 | |

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NOT TO SCALE

PHASEIIB03.dwg

PHASE IIB: PLAN VIEW OF SUMPS AND EVAPORATION PONDS
APEX POND 2 MAINTENANCE AS OF JUNE 1, 2005



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03-32

June 10, 2005

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

COPY

John Krause
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U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

Deborah Hamlin
BIA Southern Paiute Field Station, Branch of Natural Resources
P.O. Box 720
St. George, UT 84771

RE: Progress report for May 2005 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Hamlin:

Per paragraph 64 of the Order, enclosed is a copy of the May 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgyp-ton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: John Galbavy, Esq. (HMC) (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)